

## BOTTLED WATER SYSTEM AGREEMENT

Address of “Home”: \_\_\_\_\_, \_\_\_\_\_, Alaska \_\_\_\_\_

This agreement (“Agreement”) is entered into effective as of the \_\_\_\_ day of \_\_\_\_\_, 2011 by and between Flint Hills Resources Alaska, LLC (“FHRA”) and \_\_\_\_\_ (“Owner”).

1. (a.) In the course of dealing with certain sulfolane-related groundwater contamination in the vicinity of the Home, FHRA desires to install a certain bottled water system for the Home (the “Water Facilities”), to be used in lieu of a water well for human consumption purposes.

The Water Facilities will generally consist of a bottled water tank and associated dispenser.

(b.) Garden Water Tank Option. *Owner is to check and initial the applicable “line”-*

Option 1-- \_\_\_\_\_ - Owner elects to have a “Garden Water Tank” (as defined below) installed for the Home, as detailed below in this Subparagraph (b).

Option 2-- \_\_\_\_\_ - Owner elects to **not have** a “Garden Water Tank” (as defined below) installed for the Home (for clarity, the parties may “line through” the following provision if this Option 2 is selected by Owner).

If Option 1 is selected, FHRA will: (i.) procure and install for the Home (as detailed herein) a 1,000 gallon water tank to be used for watering gardens, and (ii.) arrange for a contractor to deliver (at FHRA’s cost, and at a time mutually agreed upon by the parties) up to two “tank fills” of water per year (i.e., up to 2,000 gallons/year, in two deliveries) to the Garden Water Tank, until this Agreement terminates or until the Alaska Department of Environmental Conservation (or successor agency) recognizes that well water with sulfolane concentrations at or below the levels then present in the Home’s well is safe for watering gardens, whichever occurs first. Owner will be responsible for any plumbing/hoses relating to the use of the Garden Water Tank, and *Owner will be responsible for “winterizing” and protecting the Garden Water Tank from harm/damage caused by low temperatures.*

(c.) The location of the Water Facilities (and, if applicable, the Garden Water Tank) on Owner’s property will be as mutually agreed upon by the parties. The ownership of the Water Facilities (and, if applicable, the Garden Water Tank) will be as detailed in Paragraph 5, below.

2. Owner warrants that Owner currently owns the above-defined Home (subject to any liens or mortgages of record).

3. Owner hereby consents to FHRA, at FHRA’s cost, retaining a water supply vendor to: (i.) procure and install the Water Facilities (and, if applicable, the Garden Water Tank) at an agreed-upon location on Owner’s property; and (ii.) refill, service, maintain, and repair as necessary the Water Facilities (and, if applicable, the Garden Water Tank) as provided for in Paragraph 6, below.

The activities listed above will be performed at specific times agreed to by Owner (and, if applicable, any tenant in the Home).

4. Owner agrees to use the Water Facilities to supply human consumption water for the Home during the term of this Agreement. The parties agree that the Water Facilities will not be used to supply

water for other uses. From and after the completion of the installation of the Water Facilities, Owner agrees to not use any water from wells located on the Home property for human consumption purposes.

5. (As used in this Paragraph 5, the term “Water Facilities” will include the Garden Water Tank, if applicable.) Ownership of the Water Facilities will pass to Owner (or the then-current owner of the Home) upon the completion of the installation of such items, and this document will act as the conveyance document for such transfer of ownership. Effective upon completion of the installation, FHRA assigns to Owner any warranties relating to the Water Facilities that FHRA receives from its contractor and/or the manufacturer(s) of the Water Facilities, to the extent such warranties are assignable. Apart from assigning any manufacturer or contractor warranties under the preceding sentence, FHRA and the other Released Parties herein make no other warranties, express or implied, in connection with the Water Facilities and its installation, and specifically disclaims all other warranties relating to the Water Facilities including (but not limited to) any implied warranties of merchantability or fitness for a particular purpose. **There are no warranties that extend beyond the description on the face hereof. FHRA and the other Released Parties herein undertake no responsibility for the quality of the Water Facilities or any goods conveyed to Owner except as otherwise provided in this Agreement. FHRA and the other Released Parties herein assume no responsibility that the Water Facilities or any goods conveyed to Owner will be fit for any particular purpose for which Owner may be using the Water Facilities or other goods, except as otherwise provided in this Agreement.**

6. During the term of this Agreement, FHRA shall, at FHRA’s cost:

(i.) keep the Water Facilities (and, if applicable, the Garden Water Tank) in good condition and repair (provided, however, that Owner shall be responsible for any harm/damage to the Water Facilities [and, if applicable, the Garden Water Tank] to the extent caused by Owner’s fault, and for any harm/damage to the Garden Water Tank caused by the failure to properly protect same from freezing temperatures); and

(ii.) provide water for the Water Facilities as follows: FHRA will arrange for a water supply vendor to deliver reasonable as-needed quantities of water to the Water Facilities, on an agreed-upon periodic schedule.

7. (a.) As used in this Agreement, the term “Sulfolane Limit” shall mean the upper limit of sulfolane concentration in water that is recognized by the Alaska Department of Environmental Conservation (or successor agency) as being safe for adults and children of all ages with respect to water that is used for household and potable purposes.

(b.) As used in this Agreement, the term “Water Well Test” shall mean a testing of the Home’s water well that is performed at FHRA’s cost in accordance with good industry standards.

(c.) The term of this Agreement shall commence on the date first stated above, and will extend until:

(i.) terminated upon the mutual agreement of the parties;

(ii.) the sale of the Home by Owner (or Owner’s successor) to a third party if Owner (or Owner’s successor) does not assign this Agreement to such third party, upon receipt by FHRA of written notice from Owner that this Agreement is not being assigned to such third party (if this Agreement is assigned to such third party, this Sub. [ii] shall not be applicable); or

(iii.) terminated upon three (3) months prior written notice from FHRA, **but** FHRA may exercise this termination right **only if** a Water Well Test shows a sulfolane concentration equal to or less than the Sulfolane Limit at or about the time such notice is given, **and** such termination will be effective only if a Water Well Test at or about the time such termination is scheduled to be effective continues to show a sulfolane concentration equal to or less than the Sulfolane Limit (such 3 month “notice period” will be extended to 12 months if Owner elects to accept the “settlement provision” in Paragraph 10 below).

8. If the Home is sold during the term of this Agreement, this Agreement will be freely assignable to the new owner (consent from FHRA is not needed for any such assignment, but Owner agrees to timely notify FHRA of any such assignment).

9. The parties acknowledge that they do not intend to file this Agreement in the public land records. Nothing in this Agreement constitutes an admission by the Released Parties (as defined below in Subparagraph 10[a]) or any other person or entity of liability to Owner or any other party. This Agreement shall not be admissible in any judicial or arbitration proceeding as evidence of liability.

10. Settlement Option. *Owner is to check and initial the applicable “line”-*

Option 1-- \_\_\_\_\_ - Owner elects to agree to the following provisions in this Paragraph, and this Paragraph is hereby made part of this Agreement.

Option 2-- \_\_\_\_\_ - Owner elects to **not agree** to the following provisions in this Paragraph, and this Paragraph is deemed to **not be part of this Agreement** (except for the definition of “Released Parties,” as such term is used elsewhere herein) (for clarity, the parties may “line through” the following provision if this Option 2 is selected by Owner).

(a.) In exchange for FHRA’s promises in this Agreement and the payment noted below, Owner (on Owner’s behalf, and on behalf of any other owner or current resident of the Home) hereby releases FHRA, and Williams Alaska Petroleum, Inc. and The Williams Companies, Inc. (both “Williams”), and their parents, subsidiaries, insurers, and affiliates, and their officers, directors, and members (collectively, the “Released Parties”) from all claims and demands of any kind whatsoever, whether known or unknown, for actual or alleged property or environmental damage or devaluation (or related nuisance, inconvenience, emotional distress, or inability to use well water) that arise from or relate to any actions or inactions up to and including the date of this Agreement relating to actual or asserted property contamination issues. Owner understands and acknowledges that this release extends to claims that Owner is not currently aware that he or she has against the Released Parties. Owner also understands and acknowledges that he or she is waiving and releasing all claims that he or she may currently have against any of the Released Parties within the above-described scope. (The parties to this agreement acknowledge that the foregoing release does not operate to excuse FHRA or Williams from any obligations to the Alaska Department of Environmental Conservation [or successor agency] relating to environmental contamination.) (As noted above, this settlement/release is applicable only if Owner selects “Option 1.”)

(b.) FHRA shall pay Owner the amount of Thirteen Thousand Dollars (\$13,000) within 20 days after the proper submittal by Owner to FHRA of the information reasonably required by FHRA in order to process and make such payment. (As noted above, this payment will be made only if Owner selects “Option 1.”)

(c.) All references to “3 months” in the termination-notice provision in Sub. 6(c)(iii) above are hereby revised to become “12 months.” (As noted above, this extension is applicable only if Owner selects “Option 1.”)

(d.) Owner states that he or she has been given the opportunity to review this Paragraph (and the other portions of this Agreement) with an attorney of his or her choice, that he or she believes this Paragraph (and the other portions of Agreement) to be fair, just, and reasonable, and that he or she signs the Agreement freely and voluntarily.

(e.) **If Owner selects Option 1**, above in this Paragraph 10 (making this Paragraph part of the Agreement), **and if Owner has elected (in Sub. 1[b], above) to *not* have a Garden Water Tank installed**, Owner will receive an additional payment from FHRA in the amount of Two Thousand Dollars (\$2,000), to be paid in addition to and at the same time as the payment noted in Sub. 10(b), above

SO AGREED, EFFECTIVE AS OF THE DATE FIRST STATED ABOVE:

Flint Hills Resources Alaska, LLC

“Owner” (as defined above)

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature(s): \_\_\_\_\_  
Printed Name(s): \_\_\_\_\_  
Date: \_\_\_\_\_